



END OF SESSION — HF 242 — ELECTION CAMPAIGN INCOME TAX CHECKOFF

Description: [House File 242](#) eliminates the optional Iowa Election Campaign Fund Income Tax Checkoff from the Iowa income tax form and eliminates the Iowa Election Campaign Fund.

The Bill is effective for tax year 2017 and after. The Bill repeals the Iowa Election Campaign Fund effective July 1, 2018.

Background: Under existing law, each taxpayer filing an individual Iowa income tax return may assign \$1.50 of the taxpayer's tax to a qualified political party or to the Iowa Election Campaign Fund. This checkoff does not increase the amount of tax owed or decrease refunds of the filer.

When taxpayers choose to participate in the Checkoff, funds are transferred from the General Fund to either the selected political party or the Iowa Election Campaign Fund. Therefore, eliminating the option to contribute to the Iowa Election Campaign Fund will increase net General Fund revenue by the amount of current-law assumed contributions.

Fiscal Impact: Eliminating the option for taxpayers to contribute to the Iowa Election Campaign Fund will increase annual net General Fund revenue by an estimated \$65,000, beginning with FY 2018.

Effective Date: The Bill was approved by the General Assembly on April 19, 2017, and is currently awaiting approval in the Governor's office. If enacted, portions of the legislation will be effective July 1, 2017, and portions will be effective July 1, 2018. The Checkoff will be eliminated beginning tax year 2017.

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